

October 16, 2009

Mr. Jay Hall
Review Board Liaison
Kansas Racing and Gaming Commission
700 SW Harrison, Suite 420
Topeka, KS 66603

Dear Jay:

Attached please find our fiscal impact analysis report for the proposed Kansas Entertainment casino. Our report includes three parts:

- Part 1 summarizes relevant casino information and our findings of fiscal impact.
- Part 2 shows a comparison of MBA's findings and those provided by the Proposer.
- Part 3 is the full fiscal impact analysis providing detailed calculations of findings shown in Parts 1 and 2. Assumptions and data used in the estimate of the fiscal impact are also outlined in detail in Part 3.

Please do not hesitate to call if you have any questions.

Sincerely,



Eugenia Larmore
Director

Economic Impact Analysis

Fiscal Impact Analysis

Forensic Accounting

Business Valuation

Gaming Feasibility

Litigation Support

660 Sierra Rose Dr., Ste. 2
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TAB 1

SUMMARY OF FISCAL IMPACT FINDINGS

<p align="center">SUMMARY SHEET-WYANDOTTE COUNTY</p> <p align="center">KANSAS ENTERTAINMENT</p>

Phase 1 Opening	January-12	
Phase 2 Opening	July-15	
Casino sq. ft. @ Buildout		128,450
Total sq. ft. @ Buildout		509,470
# Hotel rooms @ Buildout		500
Total Construction Costs	\$	389,828,444
Total FF&E	\$	76,585,340
# Construction Employees Phase 1		871
# Construction Employees Phase 2		1,758
# Permanent Employees @ Buildout		1,320
Est. Oper. Payroll - 1st full year	\$	34,988,870
Annual visitors-1st full year (Wells/Cummings)		3,001,500
Daily visitors		8,223
GGR-1st full year	\$	258,372,410

FISCAL IMPACT SUMMARY-7 YEAR TOTAL

REVENUE

Gaming Contribution (tax)	\$	288,311,233
Income Tax Revenue		15,804,436
Property Tax Revenue		54,320,025
Sales Tax Revenue		28,342,226
Room Tax Revenue		677,536
Building Permit Revenue		2,342,286
Total Revenue (w/o school state aid)	\$	389,797,742
Unified Government		72,936,375
Kansas City School District		25,706,807
State Revenue		283,431,938
Edwardsville/Bonner Springs Revenue		7,722,622

COSTS

Unified Government Costs	\$	2,850,584
School District Costs		-

SURPLUS/(DEFICIT)

Unified Government	\$	70,085,791
School District		25,706,807

DEVELOPER CONTRIBUTIONS-Source: Development Agreement with UG

1. \$500,000/year to the three non-host school districts
2. \$500,000/year to the Wyandotte County social services and charitable activities
3. \$100,000/year to the UG Parks and Recreation division
4. \$25,000/year to the Wyandotte County Convention and Visitors Bureau (CVB)
5. \$10,000/year to the Wyandotte County Chambers of Commerce
6. Additional 1% of GGR to Wyandotte County (included in above revenue)
7. Following gaming contribution increases as shown in the Developer's template:
 - 27% total tax to State & County on first \$350 million of GGR
 - 30% total tax to State & County on GGR between \$350 million and \$400 million
 - 33% total tax to State & County on GGR above \$400 million
8. Land for fire/emergency services facility in a location near project

TAB 2

COMPARISON OF ESTIMATES

FISCAL IMPACT--7 YEAR SUMMARY*
KANSAS ENTERTAINMENT

Proposer's Estimates						
	<u>State</u>	<u>Unif. Govt.¹</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>K-12 Schools</u>	
<u>REVENUE:</u>						
Gaming Rev. Sharing	\$ 271,084,395	\$ 40,945,039	\$ 1,573,137	\$ 2,662,557	\$ -	
Property Tax	-	48,360,535	-	-	-	
Sales/Use Tax	31,207,801	13,357,780	-	-	-	
Income Tax	-	-	-	-	-	
Lodging Tax	-	-	-	-	-	
Total	\$ 302,292,196	\$ 102,663,354	\$ 1,573,137	\$ 2,662,557	\$ -	
<u>COSTS:</u>						
Law Enforcement	\$ -	\$ 939,883	\$ -	\$ -	\$ -	
Public Works	-	-	-	-	-	
Education	-	-	-	-	248,065	
Fire Protection/EMS	-	1,774,748	-	-	-	
Total	\$ -	\$ 2,714,631	\$ -	\$ -	\$ 248,065	
Surplus/(Deficit)	\$ 302,292,196	\$ 99,948,723	\$ 1,573,137	\$ 2,662,557	\$ (248,065)	

1. City and County numbers provided by Kansas Entertainment are combined under Unified Government.

Consultant's Estimates						
	<u>State</u>	<u>Unif. Govt.</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>K-12 Schools</u>	
<u>REVENUE:</u>						
Gaming Rev. Sharing	\$ 247,123,914	\$ 33,464,697	\$ 2,868,182	\$ 4,854,440	\$ -	
Property Tax	594,169	28,019,049	-	-	25,706,807	
Sales/Use Tax	19,895,867	8,446,359	-	-	-	
Income Tax	15,804,436	-	-	-	-	
Building Fees	-	2,342,286	-	-	-	
Lodging Tax	13,551	663,985	-	-	-	
School State Aid ¹	-	-	-	-	-	
Total	\$ 283,431,938	\$ 72,936,375	\$ 2,868,182	\$ 4,854,440	\$ 25,706,807	
<u>COSTS:</u>						
Law Enforcement	\$ -	\$ 2,542,886	\$ -	\$ -	\$ -	
Public Works	-	-	-	-	-	
Education	-	-	-	-	-	
Building Inspection	-	-	-	-	-	
Fire Protection/EMS	-	-	-	-	-	
Admin. Overhead	-	307,698	-	-	-	
Total	\$ -	\$ 2,850,584	\$ -	\$ -	\$ -	
Surplus/(Deficit)	\$ 283,431,938	\$ 70,085,791	\$ 2,868,182	\$ 4,854,440	\$ 25,706,807	

1. No school state aid is estimated as local (property tax) revenue exceeds the required general state aid amount.

*Analysis encompasses a total of 7 years:

Phase 1 which consists of 2 years of construction (2010-11) and 2 years of operations (2012-13).

Phase 2 which consists of 2 years of construction (2014-15) and one year of operations (2016).

Voluntary Contributions:

Source: Development Agreement with UG

- \$500,000 per year to the three non-host school districts (distribution percentage to be determined at later date)
- \$500,000 per year to the Wyandotte County social services and charitable community activities
- \$100,000 per year to the UG Parks and Recreation division
- \$25,000 per year to the Wyandotte County Convention and Visitors Bureau (CVB)
- \$10,000 per year to the Wyandotte County Chambers of Commerce (distribution provided in agreement)
- Additional 1% of GGR to Wyandotte County (included in above revenue estimates by proposer and consultant).
- Following gaming contribution increases are shown in the Developer's template:
 - 27% total tax to State & County on first \$350 million of GGR
 - 30% total tax to State & County on GGR between \$350 million and \$400 million
 - 33% total tax to State & County on GGR above \$400 million
- Land for fire/emergency services facility in a location near project

**FISCAL IMPACT--CONSTRUCTION
PHASE 1
KANSAS ENTERTAINMENT**

Proposer's Estimates: 2010-11						
	<u>State</u>	<u>Unif. Govt.¹</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>K-12 Schools</u>	
<u>REVENUE:</u>						
Gaming Rev. Sharing	\$ -	\$ -	\$ -	\$ -	\$ -	
Property Tax	-	-	-	-	-	
Sales/Use Tax ²	6,261,914	2,635,379	-	-	-	
Income Tax	-	-	-	-	-	
Lodging Tax ²	-	-	-	-	-	
Total	\$ 6,261,914	\$ 2,635,379	\$ -	\$ -	\$ -	
<u>COSTS:</u>						
Law Enforcement	\$ -	\$ 327,240	\$ -	\$ -	\$ -	
Public Works ³	-	-	-	-	-	
Education	-	-	-	-	106,126	
Fire Protection/EMS	-	658,936	-	-	-	
Total	\$ -	\$ 986,176	\$ -	\$ -	\$ 106,126	
Surplus/(Deficit)	\$ 6,261,914	\$ 1,649,203	\$ -	\$ -	\$ (106,126)	
Footnotes:						
1. City and County numbers provided by Kansas Entertainment are combined under Unified Government.						
2. Sales/Use Tax revenue for the UG includes hotel occupancy tax.						
3. Developer responsible for paying for agreed-upon infrastructure improvements as described in the Developer Agreement with UG and any future improvements as negotiated with the UG.						

Consultant's Estimates: 2010-11						
	<u>State</u>	<u>Unif. Govt.</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>K-12 Schools</u>	
<u>REVENUE:</u>						
Gaming Rev. Sharing	\$ -	\$ -	\$ -	\$ -	\$ -	
Property Tax	54,247	2,558,089	-	-	2,346,985	
Sales/Use Tax	8,919,731	3,786,678	-	-	-	
Income Tax	2,268,647	-	-	-	-	
Building Fees	-	1,295,159	-	-	-	
Lodging Tax	-	-	-	-	-	
School State Aid ¹	-	-	-	-	-	
Total	\$ 11,242,625	\$ 7,639,926	\$ -	\$ -	\$ 2,346,985	
<u>COSTS:</u>						
Law Enforcement	\$ -	\$ -	\$ -	\$ -	\$ -	
Public Works ²	-	-	-	-	-	
Education	-	-	-	-	-	
Building Inspection	-	-	-	-	-	
Fire Protection/EMS	-	-	-	-	-	
Admin. Overhead	-	-	-	-	-	
Total	\$ -	\$ -	\$ -	\$ -	\$ -	
Surplus/(Deficit)	\$ 11,242,625	\$ 7,639,926	\$ -	\$ -	\$ 2,346,985	
Footnotes:						
1. No school state aid is estimated as local (property tax) revenue exceeds the required general state aid amount.						
2. Developer responsible for paying for agreed-upon infrastructure improvements as described in the Developer Agreement with UG and any future improvements as negotiated with the UG.						

**FISCAL IMPACT--OPERATING
PHASE 1
KANSAS ENTERTAINMENT**

Proposer's Estimates: 2012-2013					
	<u>State</u>	<u>Unif. Govt.¹</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>K-12 Schools</u>
<u>REVENUE:</u>					
Gaming Rev. Sharing ^{2,3}	\$ 101,196,977	\$ 15,284,960	\$ 587,259	\$ 993,944	\$ -
Property Tax	-	17,921,242	-	-	-
Sales/Use Tax ⁴	7,283,192	3,579,810	-	-	-
Income Tax	-	-	-	-	-
Lodging Tax ⁴	-	-	-	-	-
Total	\$ 108,480,169	\$ 36,786,012	\$ 587,259	\$ 993,944	\$ -
<u>COSTS:</u>					
Law Enforcement	\$ -	\$ 381,036	\$ -	\$ -	\$ -
Public Works ⁵	-	-	-	-	-
Education	-	-	-	-	85,867
Fire Protection/EMS	-	815,164	-	-	-
Total	\$ -	\$ 1,196,200	\$ -	\$ -	\$ 85,867
Surplus/(Deficit)	\$ 108,480,169	\$ 35,589,812	\$ 587,259	\$ 993,944	\$ (85,867)
Footnotes:					
1. City and County numbers provided by Kansas Entertainment are combined under Unified Government.					
2. Gaming revenue sharing includes the additional 1% GGR to UG. (Source: Development Agreement with UG)					
3. Developer shows gaming revenue as a total to all cities, analysis divides revenue based on the Interlocal Agreement between these entities: 50% to Kansas City, 31% to Bonner Springs, and 19% to Edwardsville.					
4. Sales/Use Tax revenue for the UG includes hotel occupancy tax.					
5. Developer responsible for paying for agreed-upon infrastructure improvements as described in the Developer Agreement with UG and any future improvements as negotiated with the UG.					

Consultant's Estimates: 2012-2013						
	<u>State</u>	<u>Unif. Govt.</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>K-12 Schools</u>	
<u>REVENUE:</u>						
Gaming Rev. Sharing ¹	\$ 86,514,540	\$ 11,715,511	\$ 1,004,109	\$ 1,699,470	\$ -	
Property Tax	164,113	7,739,025	-	-		7,100,370
Sales/Use Tax	1,849,098	784,994	-	-		-
Income Tax	2,641,147	-	-	-		-
Building Fees	-	1,047,126	-	-		-
Lodging Tax	-	-	-	-		-
School State Aid ²	-	-	-	-		-
Total	\$ 91,168,898	\$ 21,286,656	\$ 1,004,109	\$ 1,699,470	\$ 7,100,370	
<u>COSTS:</u>						
Law Enforcement	\$ -	\$ 1,144,759	\$ -	\$ -	\$ -	
Public Works ³	-	-	-	-	-	
Education	-	-	-	-	-	
Building Inspection ⁴	-	-	-	-	-	
Fire Protection/EMS ⁴	-	-	-	-	-	
Admin. Overhead	-	138,520	-	-	-	
Total	\$ -	\$ 1,283,279	\$ -	\$ -	\$ -	
Surplus/(Deficit)	\$ 91,168,898	\$ 20,003,377	\$ 1,004,109	\$ 1,699,470	\$ 7,100,370	
	<u>Proposer</u>	<u>Consultant</u>	Source: GGR and visitor estimates average of			
GGR Estimate	\$ 201,469,177	\$ 177,575,000	Cummings Associates and Wells Gaming Research			
Visitor Estimate	2,899,153	2,175,000	estimates, September/October 2009.			

**FISCAL IMPACT--CONSTRUCTION
PHASE 2
KANSAS ENTERTAINMENT**

Proposer's Estimates: 2014-15						
	<u>State</u>	<u>Unif. Govt.¹</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>K-12 Schools</u>	
<u>REVENUE:</u>						
Gaming Rev. Sharing ^{2,3}	\$ 109,685,104	\$ 16,567,021	\$ 636,516	\$ 1,077,313	\$ -	
Property Tax	-	19,012,646	-	-	-	
Sales/Use Tax ⁴	10,960,772	3,848,484	-	-	-	
Income Tax	-	-	-	-	-	
Lodging Tax ⁴	-	-	-	-	-	
Total	\$ 120,645,876	\$ 39,428,151	\$ 636,516	\$ 1,077,313	\$ -	
<u>COSTS:</u>						
Law Enforcement	\$ -	\$ 93,089	\$ -	\$ -	\$ -	
Public Works ⁵	-	-	-	-	-	
Education	-	-	-	-	37,010	
Fire Protection/EMS	-	300,648	-	-	-	
Total	\$ -	\$ 393,737	\$ -	\$ -	\$ 37,010	
Surplus/(Deficit)	\$ 120,645,876	\$ 39,034,414	\$ 636,516	\$ 1,077,313	\$ (37,010)	
Footnotes:						
1. City and County numbers provided by Kansas Entertainment are combined under Unified Government.						
2. Gaming revenue sharing includes the additional 1% GGR to UG. (Source: Development Agreement with UG)						
3. Developer shows gaming revenue as a total to all cities, analysis divides revenue based on the Interlocal Agreement between these entities: 50% to Kansas City, 31% to Bonner Springs, and 19% to Edwardsville.						
4. Sales/Use Tax revenue for the UG includes hotel occupancy tax.						
5. Developer responsible for paying for agreed-upon infrastructure improvements as described in the Developer Agreement with UG and any future improvements as negotiated with the UG.						

Consultant's Estimates: 2014-15						
	<u>State</u>	<u>Unif. Govt.</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>K-12 Schools</u>	
<u>REVENUE:</u>						
Gaming Rev. Sharing ¹	\$ 98,599,996	\$ 13,352,083	\$ 1,144,376	\$ 1,936,874	\$ -	
Property Tax	218,156	10,287,511	-	-	9,438,545	
Sales/Use Tax	7,457,624	3,165,972	-	-	-	
Income Tax	9,252,337	-	-	-	-	
Building Fees	-	-	-	-	-	
Lodging Tax	-	-	-	-	-	
School State Aid ²	-	-	-	-	-	
Total	\$ 115,528,113	\$ 26,805,566	\$ 1,144,376	\$ 1,936,874	\$ 9,438,545	
<u>COSTS:</u>						
Law Enforcement	\$ -	\$ 913,692	\$ -	\$ -	\$ -	
Public Works ³	-	-	-	-	-	
Education	-	-	-	-	-	
Building Inspection ⁴	-	-	-	-	-	
Fire Protection/EMS ⁴	-	-	-	-	-	
Admin. Overhead	-	110,560	-	-	-	
Total	\$ -	\$ 1,024,251	\$ -	\$ -	\$ -	
Surplus/(Deficit)	\$ 115,528,113	\$ 25,781,315	\$ 1,144,376	\$ 1,936,874	\$ 9,438,545	
Footnotes:						
1. Gaming revenue sharing includes the additional 1% GGR to UG. (Source: Development Agreement with UG)						
2. No school state aid is estimated as local (property tax) revenue exceeds the required general state aid amount.						
3. Developer responsible for paying for agreed-upon infrastructure improvements as described in the Developer Agreement with UG and any future improvements as negotiated with the UG.						
4. According to UG, existing capacity is available to handle additional services.						

**FISCAL IMPACT--OPERATING
PHASE 2
KANSAS ENTERTAINMENT**

Proposer's Estimates: 2016						
	<u>State</u>	<u>Unif. Govt.¹</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>K-12 Schools</u>	
REVENUE:						
Gaming Rev. Sharing ^{2,3}	\$ 60,202,314	\$ 9,093,058	\$ 349,362	\$ 591,300	\$ -	
Property Tax	-	11,426,647	-	-	-	
Sales/Use Tax ⁴	6,701,924	3,294,107	-	-	-	
Income Tax	-	-	-	-	-	
Lodging Tax ⁴	-	-	-	-	-	
Total	\$ 66,904,238	\$ 23,813,812	\$ 349,362	\$ 591,300	\$ -	
COSTS:						
Law Enforcement	\$ -	\$ 138,518	\$ -	\$ -	\$ -	
Public Works ⁴	-	-	-	-	-	
Education	-	-	-	-	19,062	
Fire Protection/EMS	-	-	-	-	-	
Total	\$ -	\$ 138,518	\$ -	\$ -	\$ 19,062	
Surplus/(Deficit)	\$ 66,904,238	\$ 23,675,294	\$ 349,362	\$ 591,300	\$ (19,062)	
Footnotes:						
1. City and County numbers provided by Kansas Entertainment are combined under Unified Government.						
2. Gaming revenue sharing includes the additional 1% GGR to UG. (Source: Development Agreement with UG)						
3. Developer shows gaming revenue as a total to all cities, analysis divides revenue based on the Interlocal Agreement between these entities: 50% to Kansas City, 31% to Bonner Springs, and 19% to Edwardsville.						
4. Sales/Use Tax revenue for the UG includes hotel occupancy tax.						
5. Developer responsible for paying for agreed-upon infrastructure improvements as described in the Developer Agreement with UG and any future improvements as negotiated with the UG.						

Consultant's Estimates: 2016						
	<u>State</u>	<u>Unif. Govt.</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>K-12 Schools</u>	
REVENUE:						
Gaming Rev. Sharing ¹	\$ 62,009,378	\$ 8,397,103	\$ 719,696	\$ 1,218,097	\$ -	
Property Tax	157,654	7,434,425	-	-	6,820,907	
Sales/Use Tax	1,669,415	708,714	-	-	-	
Income Tax	1,642,304	-	-	-	-	
Building Fees	-	-	-	-	-	
Lodging Tax	13,551	663,985	-	-	-	
School State Aid ²	-	-	-	-	-	
Total	\$ 65,492,302	\$ 17,204,227	\$ 719,696	\$ 1,218,097	\$ 6,820,907	
COSTS:						
Law Enforcement	\$ -	\$ 484,436	\$ -	\$ -	\$ -	
Public Works ³	-	-	-	-	-	
Education	-	-	-	-	-	
Building Inspection ⁴	-	-	-	-	-	
Fire Protection/EMS ⁴	-	-	-	-	-	
Admin. Overhead	-	58,618	-	-	-	
Total	\$ -	\$ 543,054	\$ -	\$ -	\$ -	
Surplus/(Deficit)	\$ 65,492,302	\$ 16,661,173	\$ 719,696	\$ 1,218,097	\$ 6,820,907	

	<u>Proposer</u>	<u>Consultant</u>	
GGR Estimate	\$ 250,842,974	\$ 250,847,000	Source: GGR and visitor estimates average of Cummings Associates and Wells Gaming Research estimates, September/October 2009.
Visitor Estimate	3,122,395	3,001,500	

- Footnotes:**
1. Gaming revenue sharing includes the additional 1% GGR to UG. (Source: Development Agreement with UG)
 2. No school state aid is estimated as local (property tax) revenue exceeds the required general state aid amount.
 3. Developer responsible for paying for agreed-upon infrastructure improvements as described in the Developer Agreement with UG and any future improvements as negotiated with the UG.
 4. According to UG, existing capacity is available to handle additional services.

TAB 3

FISCAL IMPACT ANALYSIS

APPENDIX 1
KANSAS ENTERTAINMENT, LLC
BUILDOUT ASSUMPTIONS AND ESTIMATED CONSTRUCTION COST

<u>YEAR</u>	<u>USE TYPE</u>	<u>SQUARE FEET CONSTRUCTED</u>	<u>EST. TAXABLE CONSTR. COST</u>	<u>ESTIM. CONSTR. MATERIALS COST</u>	<u>FF&E PURCHASES</u>
Year 1	Casino	-	\$ 112,556,479	\$ 56,278,240	\$ -
	Restaurants	-	27,154,251	13,577,125	-
	Retail	-	4,946,857	2,473,429	-
	Hotel	-	-	-	-
	Convention	-	-	-	-
Subtotal		-	144,657,587	72,328,794	-
Year 2	Casino	100,000	55,186,791	27,593,395	47,078,263
	Restaurants	24,125	13,313,813	6,656,907	11,357,631
	Retail	4,395	2,425,459	1,212,730	2,069,090
	Hotel	-	-	-	-
	Convention	-	-	-	-
Subtotal		128,520	70,926,064	35,463,032	60,504,983
Year 3	Casino	-	-	-	-
	Restaurants	-	-	-	-
	Retail	-	-	-	-
	Hotel	-	-	-	-
	Convention	-	-	-	-
Subtotal		-	-	-	-
Year 4	Casino	-	-	-	-
	Restaurants	-	-	-	-
	Retail	-	-	-	-
	Hotel	-	-	-	-
	Convention	-	-	-	-
Subtotal		-	-	-	-
Year 5	Casino	28,450	8,772,310	4,386,155	-
	Restaurants	7,500	2,312,560	1,156,280	-
	Retail	-	-	-	-
	Hotel	285,000	87,877,271	43,938,635	-
	Convention	60,000	18,500,478	9,250,239	-
Subtotal		380,950	117,462,618	58,731,309	-
Year 6	Casino	-	4,240,590	2,120,295	1,200,909
	Restaurants	-	1,117,906	558,953	316,584
	Retail	-	-	-	-
	Hotel	-	42,480,430	21,240,215	12,030,192
	Convention	-	8,943,248	4,471,624	2,532,672
Subtotal		-	56,782,175	28,391,088	16,080,356
TOTAL		509,470	\$ 389,828,444	\$ 194,914,222	\$ 76,585,340

APPENDIX 1, ASSUMPTIONS:

1. Construction of the development is estimated to take place in 2 Phases.

Phase 1: 18-month construction period (July 2010 to January 2012):

	Sq. Footage	Other Information
Casino	100,000	2,300 slot machines, 86 table games
Restaurants	24,125	restaurants and bars
Retail	4,395	includes retail and coffee outlet
Total	128,520	

Source: Developer's application/template.

Phase 2: Analysis assumes 18-month construction period (January 2014 to July 2015) per Development Agreement between developer and UG.

APPENDIX 1
KANSAS ENTERTAINMENT, LLC
BUILDOUT ASSUMPTIONS AND ESTIMATED CONSTRUCTION COST

	Sq. Footage	Other Information
Casino	28,450	700 slot machines, 14 table games
Hotel	285,000	500 rooms
Restaurants**	7,500	2 restaurants
Convention	<u>60,000</u>	
Total	380,950	

**Restaurant square footage from Penn National 2009 gaming application data.

Source: Unless otherwise noted, Phase 2 construction data from Hollywood Casino Kansas Matrix, September 2009.

2. **Phase 1:** Construction costs estimated using above square footages and cost breakdown provided by the developer in its template document (land is added in year 1, 33% of building costs are added in year 1, and remainder in year 2, FF&E added in year 2):

Land	Building	FF&E	Total*
\$ 109,194,555	\$ 106,389,095	\$ 60,504,983	\$ 276,088,634

*Total amount does not equal investment amount as the analysis excludes soft costs such as pre-opening, project overhead and public sector infrastructure costs which are not included for property tax calculation purposes.

Source: Cost breakdown from developer's application template, total investment cost of \$ **361,000,000** from Hollywood Casino Kansas Matrix, September 2009.

Phase 2: Total construction cost of \$ **266,500,000** is provided in Hollywood Casino Kansas Matrix, September 2009, cost breakdown percentages from developer's application template (land is added in year 5, 66% of building is added in year 5, and remainder in year 6, FF&E added in year 6):

Land	Building	FF&E	Total*
\$ 3,898,268	\$ 170,346,525	\$ 16,080,356	\$ 190,325,150

*Total amount does not equal investment amount as the analysis excludes soft costs such as financing costs and professional fees.

3. Construction materials cost estimated at **50%** of construction costs. This cost is estimated for sales tax purposes. Source: Discussions with commercial developers in Nevada.

APPENDIX 2
KANSAS ENTERTAINMENT, LLC
ESTIMATED PROPERTY TAX REVENUE AT
2008 PROPERTY TAX RATE

<u>YEAR</u>	<u>USE TYPE</u>	<u>EST. REAL PROPERTY VALUE</u>	<u>CUMULATIVE PROPERTY VALUE</u>	<u>CUMULATIVE ASSESSED VALUE</u>	<u>SCHOOL DISTRICT REVENUE</u>	<u>UNIFIED GOVERNMENT REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>	<u>KC COMMUN. COLLEGE REVENUE</u>	<u>LIBRARY REVENUE</u>
Year 1	Casino	\$ 112,556,479	\$ 112,556,479	\$ 28,139,120					
	Restaurants	27,154,251	27,154,251	6,788,563					
	Retail	4,946,857	4,946,857	1,236,714					
	Hotel	-	-	-					
	Convention	-	-	-					
Subtotal		144,657,587	144,657,587	36,164,397	\$ -	\$ -	\$ -	\$ -	\$ -
Year 2	Casino	55,186,791	167,743,270	41,935,818					
	Restaurants	13,313,813	40,468,064	10,117,016					
	Retail	2,425,459	7,372,317	1,843,079					
	Hotel	-	-	-					
	Convention	-	-	-					
Subtotal		70,926,064	215,583,651	53,895,913	\$ 2,346,985	\$ 2,558,089	\$ 54,247	\$ 697,828	\$ 279,551
Year 3	Casino	-	172,775,568	43,193,892					
	Restaurants	-	41,682,106	10,420,526					
	Retail	-	7,593,486	1,898,372					
	Hotel	-	-	-					
	Convention	-	-	-					
Subtotal		-	222,051,160	55,512,790	\$ 3,497,719	\$ 3,812,327	\$ 80,844	\$ 1,039,976	\$ 416,615
Year 4	Casino	-	177,958,835	44,489,709					
	Restaurants	-	42,932,569	10,733,142					
	Retail	-	7,821,291	1,955,323					
	Hotel	-	-	-					
	Convention	-	-	-					
Subtotal		-	228,712,695	57,178,174	\$ 3,602,651	\$ 3,926,697	\$ 83,269	\$ 1,071,175	\$ 429,114
Year 5	Casino	8,772,310	192,069,910	48,017,478					
	Restaurants	2,312,560	46,533,106	11,633,276					
	Retail	-	8,055,930	2,013,982					
	Hotel	87,877,271	87,877,271	21,969,318					
	Convention	18,500,478	18,500,478	4,625,120					
Subtotal		117,462,618	353,036,694	88,259,174	\$ 3,710,730	\$ 4,044,498	\$ 85,767	\$ 1,103,310	\$ 441,987
Year 6	Casino	4,240,590	202,072,598	50,518,149					
	Restaurants	1,117,906	49,047,005	12,261,751					
	Retail	-	8,297,607	2,074,402					
	Hotel	42,480,430	132,994,019	33,248,505					
	Convention	8,943,248	27,998,741	6,999,685					
Subtotal		56,782,175	420,409,970	105,102,493	\$ 5,727,815	\$ 6,243,013	\$ 132,389	\$ 1,703,049	\$ 682,243

APPENDIX 2
KANSAS ENTERTAINMENT, LLC
ESTIMATED PROPERTY TAX REVENUE AT
2008 PROPERTY TAX RATE

<u>YEAR</u>	<u>USE TYPE</u>	<u>EST. REAL PROPERTY VALUE</u>	<u>CUMULATIVE PROPERTY VALUE</u>	<u>CUMULATIVE ASSESSED VALUE</u>	<u>SCHOOL DISTRICT REVENUE</u>	<u>UNIFIED GOVERNMENT REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>	<u>KC COMMUN. COLLEGE REVENUE</u>	<u>LIBRARY REVENUE</u>
Year 7	Casino	-	208,134,776	52,033,694					
	Restaurants	-	50,518,415	12,629,604					
	Retail	-	8,546,536	2,136,634					
	Hotel	-	136,983,840	34,245,960					
	Convention	-	28,838,703	7,209,676					
Subtotal		-	433,022,269	108,255,567	\$ 6,820,907	\$ 7,434,425	\$ 157,654	\$ 2,028,058	\$ 812,442
TOTAL		\$ 389,828,444			\$ 25,706,807	\$ 28,019,049	\$ 594,169	\$ 7,643,395	\$ 3,061,953

APPENDIX 2, ASSUMPTIONS:

1. Tax rate will remain constant at 2008 amount:

Entity-Fund	Tax Rate*	*rate per \$1,000 of assessed value.
School District	\$ 64.898	blended rate per UG, 97% of property in SD204 (\$65.252) and 3% in SD500 (\$53.441)
Unified Government	\$ 70.735	Includes Wyandotte County and Kansas City rates.
State	\$ 1.500	
KC Community College	\$ 19.296	
Library	\$ 7.730	
Total	\$ 164.159	

Source: Wyandotte County/Kansas City Unified Government Treasury Website. Rates include all funds for which property tax revenues are collected.

Tax rates could decrease due to increase in assessed value but any change is at the discretion of the policy-making board and is not contemplated in this analysis.

- Properties are valued using the fair market value approach. As no comparable sales data exists and this is considered to be a "new and unique" property, the analysis uses the replacement cost approach to value these properties. Source: "A Homeowner's Guide to Property Tax in Kansas." Kansas Department of Revenue.
- Assessed value estimated at **25%** of appraised value for real property.
Source: "A Homeowner's Guide to Property Tax in Kansas." Kansas Department of Revenue.
- Property value not inflated until Year 3 (FY 2012) to account for the recessionary period; inflation at 3%.
- Property tax revenue is estimated in the year following construction and improvements to account for lien dates and work-in-progress.

APPENDIX 3
KANSAS ENTERTAINMENT, LLC
SALES TAX REVENUE

<u>YEAR</u>		<u>CONSTRUCTION MATERIALS COST</u>	<u>FF&E PURCHASES</u>	<u>RETAIL SALES</u>	<u>ROOM REVENUES</u>	<u>TOTAL TAXABLE SALES</u>	<u>KANSAS CITY REVENUE</u>	<u>WYANDOTTE COUNTY REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>
Year 1	Casino	\$ 56,278,240	\$ -	\$ -	\$ -	\$ 56,278,240			
	Restaurants	13,577,125	-	-	-	13,577,125			
	Retail	2,473,429	-	-	-	2,473,429			
	Hotel	-	-	-	-	-			
	Convention	-	-	-	-	-			
Subtotal		72,328,794	-	-	-	72,328,794	\$ 904,110	\$ 723,288	\$ 3,833,426
Year 2	Casino	27,593,395	47,078,263	-	-	74,671,658			
	Restaurants	6,656,907	11,357,631	-	-	18,014,537			
	Retail	1,212,730	2,069,090	-	-	3,281,819			
	Hotel	-	-	-	-	-			
	Convention	-	-	-	-	-			
Subtotal		35,463,032	60,504,983	-	-	95,968,015	\$ 1,199,600	\$ 959,680	\$ 5,086,305
Year 3	Casino	-	-	-	-	-			
	Restaurants	-	-	14,953,077	-	14,953,077			
	Retail	-	-	1,914,205	-	1,914,205			
	Hotel	-	-	-	-	-			
	Convention	-	-	-	-	-			
Subtotal		-	-	16,867,282	-	16,867,282	\$ 210,841	\$ 168,673	\$ 893,966
Year 4	Casino	-	-	-	-	-			
	Restaurants	-	-	15,976,182	-	15,976,182			
	Retail	-	-	2,045,177	-	2,045,177			
	Hotel	-	-	-	-	-			
	Convention	-	-	-	-	-			
Subtotal		-	-	18,021,359	-	18,021,359	\$ 225,267	\$ 180,214	\$ 955,132
Year 5	Casino	4,386,155	-	-	-	4,386,155			
	Restaurants	1,156,280	-	16,377,983	-	17,534,263			
	Retail	-	-	2,096,614	-	2,096,614			
	Hotel	43,938,635	-	-	-	43,938,635			
	Convention	9,250,239	-	-	-	9,250,239			
Subtotal		58,731,309	-	18,474,597	-	77,205,906	\$ 965,074	\$ 772,059	\$ 4,091,913
Year 6	Casino	2,120,295	1,200,909	-	-	3,321,204			
	Restaurants	558,953	316,584	16,872,598	-	17,748,135			
	Retail	-	-	2,159,931	-	2,159,931			
	Hotel	21,240,215	12,030,192	-	-	33,270,407			
	Convention	4,471,624	2,532,672	-	-	7,004,296			
Subtotal		28,391,088	16,080,356	19,032,529	-	63,503,973	\$ 793,800	\$ 635,040	\$ 3,365,711

APPENDIX 3
KANSAS ENTERTAINMENT, LLC
SALES TAX REVENUE

<u>YEAR</u>		<u>CONSTRUCTION</u> <u>MATERIALS</u> <u>COST</u>	<u>FF&E</u> <u>PURCHASES</u>	<u>RETAIL</u> <u>SALES</u>	<u>ROOM</u> <u>REVENUES</u>	<u>TOTAL</u> <u>TAXABLE</u> <u>SALES</u>	<u>KANSAS</u> <u>CITY</u> <u>REVENUE</u>	<u>WYANDOTTE</u> <u>COUNTY</u> <u>REVENUE</u>	<u>STATE OF</u> <u>KANSAS</u> <u>REVENUE</u>
Year 7	Casino	-	-	-	-	-			
	Restaurants	-	-	20,461,838	-	20,461,838			
	Retail	-	-	2,567,349	-	2,567,349			
	Hotel	-	-	-	8,469,203	8,469,203			
	Convention	-	-	-	-	-			
Subtotal		-	-	23,029,187	8,469,203	31,498,390	\$ 393,730	\$ 314,984	\$ 1,669,415
TOTAL		\$ 194,914,222	\$ 76,585,340	\$ 95,424,954	\$ 8,469,203	\$ 375,393,718	\$ 4,692,421	\$ 3,753,937	\$ 19,895,867

APPENDIX 3, ASSUMPTIONS:

- Sales tax rate is as follows:

<u>Designation</u>
1.250% City
1.000% County
<u>5.300%</u> State
7.550% TOTAL

Source: "All Jurisdictions and Rates in this Zip Code." Kansas Department of Revenue.

- Materials Cost - 50% of construction cost is assumed to be materials cost.

Source: Discussion with Nevada contractors

- Taxable sales based on the following data from the developer for Phase 1 (Years 1-5) and Phase 2 (Years 6-7):

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Retail	\$ -	\$ -	\$ 1,914,205	\$ 2,045,177	\$ 2,096,614	\$ 2,159,931	\$ 2,567,349
F&B	-	-	14,953,077	15,976,182	16,377,983	16,872,598	20,461,838
Rooms*	-	-	-	-	-	-	8,469,203
Total	\$ -	\$ -	\$ 16,867,282	\$ 18,021,359	\$ 18,474,597	\$ 19,032,529	\$ 31,498,390

Source: Developer's application template.

*Analysis reduced the amount provided by the developer by 10% to exclude complementary room revenue, as it does not generate sales tax revenue.

APPENDIX 4
KANSAS ENTERTAINMENT, LLC
LOTTERY GAMING CONTRIBUTION REVENUE

<u>YEAR</u>		<u>ESTIMATED GAMING REVENUE</u>	<u>BONNER SPRINGS REVENUE</u>	<u>EDWARDS- VILLE REVENUE</u>	<u>KANSAS CITY REVENUE</u>	<u>WYANDOTTE COUNTY REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>	<u>STATE PROB. GAMBLING REVENUE</u>
Year 1	Casino	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Year 2	Casino	-	-	-	-	-	-	-
Year 3	Casino	177,575,000	837,177	494,635	1,331,813	4,439,375	39,066,500	3,551,500
Year 4	Casino	182,902,250	862,293	509,474	1,371,767	4,572,556	40,238,495	3,658,045
Year 5	Casino	188,389,318	888,161	524,758	1,412,920	4,709,733	41,445,650	3,767,786
Year 6	Casino	222,443,999	1,048,712	619,618	1,668,330	5,561,100	48,937,680	4,448,880
Year 7	Casino	258,372,410	1,218,097	719,696	1,937,793	6,459,310	56,841,930	5,167,448
TOTAL		\$ 1,029,682,976	\$ 4,854,440	\$ 2,868,182	\$ 7,722,622	\$ 25,742,074	\$ 226,530,255	\$ 20,593,660

APPENDIX 4, ASSUMPTIONS:

1. Estimated Gross Gaming Revenue (GGR) is the average GGR estimated in Wells and Cummings reports:

	<u>Year 3 (2012)</u>	<u>Year 6 (2015)*</u>	
WGR GGR	\$ 151,850,000	\$ 255,094,000	
Cummings GGR	203,300,000	246,600,000	
Average	\$ 177,575,000	\$ 250,847,000	Revenue inflated 3% annually in Years 4 & 5.

Year 7 is considered full buildout, inflated 3% from Year 6; Year 6 data includes inflation at 3% per year from Year 2 forward.

Source: Wells Gaming Research and Cummings Associates, GGR estimates, September/October 2009.

2. Local government revenue is estimated as follows:

State of Kansas	22.0%	of all lottery gaming revenues.
State Prob. Gambling	2.0%	of all lottery gaming revenues.
Wyandotte County	2.5%	of all lottery gaming revenues. Additional 1% per Development Agreement with UG.
Kansas City	0.75%	of all lottery gaming revenues.
Bonner Springs	0.47%	of all lottery gaming revenues.
Edwardsville	0.28%	of all lottery gaming revenues.

Source: SB 66 and Interlocal Agreement between Kansas City, Bonner Springs, and Edwardsville.

Analysis assumes Kansas City will be the host city, retaining 50% of city-share and Bonner Springs and Edwardsville will split the remaining 50%. According to the interlocal agreement, Edwardsville and Bonner Springs will share the remaining at 37.14% and 62.86% respectively.

	% of Total
Bonner Springs	62.86%
Edwardsville	37.14%

Source: Interlocal Cooperation Agreement

3. Year 3 assumes first full year of operation for Phase 1 and Year 7 for Phase 2.

APPENDIX 5
KANSAS ENTERTAINMENT, LLC
STATE INCOME TAX REVENUE

<u>YEAR</u>		<u>ESTIMATED PAYROLL EXPENDITURES</u>	<u>ESTIMATED PAYROLL/ EMPLOYEE</u>	<u>STATE OF KANSAS INCOME TAX REVENUE</u>
Year 1	Construction	\$ 2,126,154	\$ 11,600	\$ 74,415
	Operating	-	-	-
Subtotal		2,126,154	11,600	74,415
Year 2	Construction	40,396,921	46,400	2,194,232
	Operating	-	-	-
Subtotal		40,396,921	46,400	2,194,232
Year 3	Construction	-	-	-
	Operating	28,362,117	25,121	1,306,920
Subtotal		28,362,117	25,121	1,306,920
Year 4	Construction	-	-	-
	Operating	28,845,240	25,392	1,334,228
Subtotal		28,845,240	25,392	1,334,228
Year 5	Construction	84,029,284	47,792	4,589,126
	Operating	29,335,612	25,688	1,362,401
Subtotal		113,364,896	73,480	5,951,526
Year 6	Construction	42,014,642	23,896	1,900,646
	Operating	29,999,247	26,064	1,400,165
Subtotal		72,013,889	49,960	3,300,811
Year 7	Construction	-	-	-
	Operating	34,988,870	26,507	1,642,304
Subtotal		34,988,870	26,507	1,642,304
TOTAL		\$ 213,095,328		\$ 15,804,436

APPENDIX 5, ASSUMPTIONS:

1. **Phase 1:** Estimated construction payroll is provided by the Developer at \$ **42,523,075** during the construction phase of the project. This includes salaries only, no benefits are included. The following payroll per employee data is estimated

	Year 1	Year 2
Payroll	\$ 2,126,154	\$ 40,396,921
Average Employees	183	871
Payroll/Employee	\$ 11,600	\$ 46,400

Source: Developer's application template.

Phase 2: Construction employees and salary data estimated using construction data provided by developer in Phase 1.

Phase 1 Sq.Ft. Construction Payroll	\$	42,523,075
Phase 1 Square Feet		128,520
Payroll/Sq.Ft.	\$	330.87
Phase 2 Sq.Ft. Constructed		380,950
	Year 5	Year 6
Payroll	\$ 84,029,284	\$ 42,014,642
Average Employees	1,758	1,758
Payroll/Employee	\$ 47,792	\$ 23,896

Salary inflated 3% from the amount shown in Phase 1.

2. Estimated on-going operating payroll is estimated at \$ **25,121** per year per person at full year of operation for **1,129** FTE employees. This includes salaries only, no benefit costs are included. The following payroll per employee data is estimated

	Year 3	Year 4	Year 5
Payroll	\$ 28,362,117	\$ 28,845,240	\$ 29,335,612
Ave. Employees	1,129	1,136	1,142
Payroll/Empl.	\$ 25,121	\$ 25,392	\$ 25,688

APPENDIX 5
KANSAS ENTERTAINMENT, LLC
STATE INCOME TAX REVENUE

	Year 6	Year 7
Payroll	\$ 29,999,247	\$ 34,988,870
Ave. Employees	1,151	1,320
Payroll/Empl.	\$ 26,064	\$ 26,507

Source: Developer's application template.

3. Personal income tax revenue for the State is estimated as follows, using a 2008 schedule:

For a single person:

Taxable income between \$0 and \$15,000 is taxed at 3.5%

Taxable income between \$15,000 and \$30,000 is taxed at 6.25% plus the tax calculated on the first \$15,000

Taxable income over \$30,000 is taxed at 6.45% plus the tax calculated on the first \$30,000

Source: Kansas Department of Revenue. 2008 Kansas Individual Income Tax schedule.

APPENDIX 6
KANSAS ENTERTAINMENT, LLC
ESTIMATED BUILDING PERMIT FEE REVENUE

<u>YEAR</u>	<u>LAND USE</u>	<u># OF SQ. FT. BUILT</u>	<u>CONSTRUCTION VALUATION</u>	<u>UNIFIED GOVERNMENT PERMIT REVENUE</u>	<u>UG PLAN REVIEW REVENUE</u>	<u>TOTAL UG REVENUE</u>
Year 1	Casino	-	\$ 167,743,270			
	Restaurants	-	40,468,064			
	Retail	-	7,372,317			
	Hotel	-	-			
	Convention	-	-			
Total		-	215,583,651	\$ 863,440	\$ 431,720	\$ 1,295,159
Year 2	Casino	100,000	-			
	Restaurants	24,125	-			
	Retail	4,395	-			
	Hotel	-	-			
	Convention	-	-			
Total		128,520	-	-	\$ -	\$ -
Year 3	Casino	-	-			
	Restaurants	-	-			
	Retail	-	-			
	Hotel	-	-			
	Convention	-	-			
Total		-	-	-	\$ -	\$ -
Year 4	Casino	-	13,012,900			
	Restaurants	-	3,430,466			
	Retail	-	-			
	Hotel	-	130,357,701			
	Convention	-	27,443,727			
Total		-	174,244,794	\$ 698,084	\$ 349,042	\$ 1,047,126
Year 5	Casino	28,450	-			
	Restaurants	7,500	-			
	Retail	-	-			
	Hotel	285,000	-			
	Convention	60,000	-			
Total		380,950	-	-	\$ -	\$ -
Year 6	Casino	-	-			
	Restaurants	-	-			
	Retail	-	-			
	Hotel	-	-			
	Convention	-	-			
Total		-	-	-	\$ -	\$ -
Year 7	Casino	-	-			
	Restaurants	-	-			
	Retail	-	-			
	Hotel	-	-			
	Convention	-	-			
Total		-	-	-	\$ -	\$ -
TOTAL		509,470	\$ 389,828,444	\$ 1,561,524	\$ 780,762	\$ 2,342,286

APPENDIX 6, ASSUMPTIONS:

1. Construction Valuation is calculated in Appendix 1.
Building permit fee revenue is estimated in the year prior to construction.

APPENDIX 6
KANSAS ENTERTAINMENT, LLC
ESTIMATED BUILDING PERMIT FEE REVENUE

2. Commercial building permit fee calculation:

\$30	per first	\$30,000	plus
\$0.75	for each additional	\$100	of value.
\$255	for value between	\$30,000-1,000,000	plus
\$0.50	for each additional	\$100	of value.
\$5,105	for value above	\$1,000,000	plus
\$0.40	for each additional	\$100	of value.

Source: Wyandotte County/Kansas City Unified Government, Building Inspection Department website.

3. Plan review fees are estimated at **50%** of building permit fee revenue.

Source: Unified Government Research Division.

4. BPU flat fee of **\$228** is not estimated as the revenue is remitted to the BPU and the analysis estimates UG revenue only.

5. Revenue for mechanical, plumbing, and electrical permit fee and sewer tapping and water meter fees is not estimated as the information required to estimate these fees is unknown.

APPENDIX 7
KANSAS ENTERTAINMENT, LLC
TRANSIENT GUEST TAX REVENUE

<u>YEAR</u>		<u># OF ROOMS</u>	<u>ESTIMATED ROOM REVENUE</u>	<u>UNIFIED GOVERNMENT REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>
Year 1	Hotel	-	\$ -	\$ -	\$ -
Year 2	Hotel	-	-	-	-
Year 3	Hotel	-	-	-	-
Year 4	Hotel	-	-	-	-
Year 5	Hotel	-	-	-	-
Year 6	Hotel	-	-	-	-
Year 7	Hotel	500	8,469,203	663,985	13,551
TOTAL			\$ 8,469,203	\$ 663,985	\$ 13,551

APPENDIX 7, ASSUMPTIONS:

1. Transient Guest Tax rate of **8%** is divided between the Unified Government and the State as follows:
98.000% UG
2.000% State
100.000% TOTAL

Source: Unified Government Research Division.

2. Room revenue based on Developer's estimates. Source: Developer's template.

Year 7 Revenue* \$ **8,469,203**

*Analysis reduced the amount provided by the developer by 10% to exclude complementary room revenue, as it does not generate Transient Guest Tax revenue.

APPENDIX 8
KANSAS ENTERTAINMENT, LLC
SUMMARY OF ESTIMATED REVENUE

<u>YEAR</u>		<u>STATE OF KANSAS</u>	<u>SCHOOL DISTRICT</u>	<u>BONNER SPRINGS</u>	<u>EDWARDS- VILLE</u>	<u>OTHER DISTRICTS</u>	<u>UNIFIED GOV'T TOTAL</u>
Year 1	Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Sales Tax Revenue	3,833,426	-	-	-	-	1,627,398
	Gaming Revenue	-	-	-	-	-	-
	Income Tax Revenue	74,415	-	-	-	-	-
	Building Permit Fee	-	-	-	-	-	1,295,159
	Transient Guest Tax	-	-	-	-	-	-
Subtotal		3,907,841	-	-	-	-	2,922,557
Year 2	Property Tax	54,247	2,346,985	-	-	977,379	2,558,089
	Sales Tax Revenue	5,086,305	-	-	-	-	2,159,280
	Gaming Revenue	-	-	-	-	-	-
	Income Tax Revenue	2,194,232	-	-	-	-	-
	Building Permit Fee	-	-	-	-	-	-
	Transient Guest Tax	-	-	-	-	-	-
Subtotal		7,334,783	2,346,985	-	-	977,379	4,717,369
Year 3	Property Tax	80,844	3,497,719	-	-	1,456,591	3,812,327
	Sales Tax Revenue	893,966	-	-	-	-	379,514
	Gaming Revenue	42,618,000	-	837,177	494,635	-	5,771,188
	Income Tax Revenue	1,306,920	-	-	-	-	-
	Building Permit Fee	-	-	-	-	-	-
	Transient Guest Tax	-	-	-	-	-	-
Subtotal		44,899,730	3,497,719	837,177	494,635	1,456,591	9,963,029
Year 4	Property Tax	83,269	3,602,651	-	-	1,500,289	3,926,697
	Sales Tax Revenue	955,132	-	-	-	-	405,481
	Gaming Revenue	43,896,540	-	862,293	509,474	-	5,944,323
	Income Tax Revenue	1,334,228	-	-	-	-	-
	Building Permit Fee	-	-	-	-	-	1,047,126
	Transient Guest Tax	-	-	-	-	-	-
Subtotal		46,269,169	3,602,651	862,293	509,474	1,500,289	11,323,627
Year 5	Property Tax	85,767	3,710,730	-	-	1,545,297	4,044,498
	Sales Tax Revenue	4,091,913	-	-	-	-	1,737,133
	Gaming Revenue	45,213,436	-	888,161	524,758	-	6,122,653
	Income Tax Revenue	5,951,526	-	-	-	-	-
	Building Permit Fee	-	-	-	-	-	-
	Transient Guest Tax	-	-	-	-	-	-
Subtotal		55,342,643	3,710,730	888,161	524,758	1,545,297	11,904,284

APPENDIX 8
KANSAS ENTERTAINMENT, LLC
SUMMARY OF ESTIMATED REVENUE

Year 6	Property Tax	132,389	5,727,815	-	-	2,385,292	6,243,013
	Sales Tax Revenue	3,365,711	-	-	-	-	1,428,839
	Gaming Revenue	53,386,560	-	1,048,712	619,618	-	7,229,430
	Income Tax Revenue	3,300,811	-	-	-	-	-
	Building Permit Fee	-	-	-	-	-	-
	Transient Guest Tax	-	-	-	-	-	-
Subtotal		60,185,470	5,727,815	1,048,712	619,618	2,385,292	14,901,282
Year 7	Property Tax	157,654	6,820,907	-	-	2,840,500	7,434,425
	Sales Tax Revenue	1,669,415	-	-	-	-	708,714
	Gaming Revenue	62,009,378	-	1,218,097	719,696	-	8,397,103
	Income Tax Revenue	1,642,304	-	-	-	-	-
	Building Permit Fee	-	-	-	-	-	-
	Transient Guest Tax	13,551	-	-	-	-	663,985
Subtotal		65,492,302	6,820,907	1,218,097	719,696	2,840,500	17,204,227
TOTAL		\$ 283,431,938	\$ 25,706,807	\$ 4,854,440	\$ 2,868,182	\$ 10,705,348	\$ 72,936,375

APPENDIX 8, ASSUMPTIONS:

1. State of Kansas revenue includes 2% gaming contribution revenue for problem gambling fund.
2. Revenue in the Unified Government Total column is the sum of estimated revenue for the Wyandotte County and Kansas City.
3. Other Districts include Kansas Community College and Library districts.

APPENDIX 9
KANSAS ENTERTAINMENT, LLC
UNIFIED GOVERNMENT
POLICE DEPARTMENT COST PROJECTIONS

<u>YEAR</u>	<u># OF UNIFORMED POSITIONS</u>	<u># OF NON-UNIFORMED POSITIONS</u>	<u>SALARIES & BENEFITS</u>	<u>SERVICES/ SUPPLIES</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL COST</u>
Year 1	0.0	0.0	\$ -	\$ -	\$ -	-
Year 2	0.0	0.0	-	-	-	-
Year 3	5.0	1.0	360,328	294,151	59,618	714,098
Year 4	5.0	1.0	374,742	45,917	10,003	430,662
Year 5	5.0	1.0	389,731	47,754	10,403	447,888
Year 6	5.0	1.0	405,320	49,664	10,819	465,804
Year 7	5.0	1.0	421,533	51,650	11,252	484,436
TOTAL			\$ 1,951,655	\$ 489,135	\$ 102,096	\$ 2,542,886

APPENDIX 9, ASSUMPTIONS:

1. Analysis estimates **5.0** uniformed positions will be required to provide 24/7 police services in the area surrounding the development and to support the on-site security force at the casino. A non-uniformed position will be required to provide support to the uniformed positions.

2. The following salary and benefits information is used:

	Salary	Benefits	Total Cost
Uniformed \$	43,226	\$ 12,968	\$ 56,194
Non-uniformed	20,800	6,240	27,040

Benefits are estimated at **30%** of salary costs. Salary and benefits costs are increased 4% annually.

Source: Wyandotte County/Kansas City Unified Government, County Administrator's Office, 2008.

3. Services/Supplies and Capital Projects costs estimated as follows:

	2007	2008	2009	Average
Personnel (P) \$	39,193,803	\$ 39,627,397	\$ 41,293,070	\$ 40,038,090
Services/Supplies (SS)	4,347,980	5,213,747	5,155,818	4,905,848
Capital Projects (CP)	1,645,966	1,171,535	388,750	1,068,750
SS % of P	11%	13%	12%	12%
CP % of P	4%	3%	1%	3%

Source: Wyandotte County/Kansas City Unified Government Budget FY 2009. Three-year average (2007-2009) for the Police Department.

4. Employment-related costs such as a uniform allowance of **\$910** annually per officer and vehicle maintenance costs of **\$ 14,211** per vehicle are not included in the analysis as they are assumed to be covered by the Services/Supplies estimates above.

A one-time training fee of **\$50,000** per uniformed position is estimated in Year 3.

Source: Wyandotte County/Kansas City Unified Government, County Administrator's Office, 2008.

5. One vehicle is added at a cost of **\$50,000** in Year 2. Vehicle replacement costs are assumed to be covered by the Capital Projects percentage.

Source: Wyandotte County/Kansas City Unified Government, County Administrator's Office, 2008.

APPENDIX 10
KANSAS ENTERTAINMENT, LLC
UNIFIED GOVERNMENT
SUMMARY OF ESTIMATED COSTS

<u>YEAR</u>	<u>ESTIMATED REVENUES</u>	<u>STREETS DEPARTMENT</u>	<u>POLICE DEPARTMENT</u>	<u>WASTEWATER DEPARTMENT</u>	<u>FIRE/EMS DEPARTMENT</u>	<u>COMMUNITY DEVELOPMENT</u>	<u>ADMIN. OVERHEAD</u>	<u>TOTAL COSTS</u>	<u>REVENUE SURPLUS</u>
Year 1	\$ 2,922,557	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,922,557
Year 2	4,717,369	-	-	-	-	-	-	-	4,717,369
Year 3	9,963,029	-	714,098	-	-	-	86,408	800,506	9,162,523
Year 4	11,323,627	-	430,662	-	-	-	52,111	482,773	10,840,854
Year 5	11,904,284	-	447,888	-	-	-	54,196	502,084	11,402,200
Year 6	14,901,282	-	465,804	-	-	-	56,364	522,167	14,379,115
Year 7	17,204,227	-	484,436	-	-	-	58,618	543,054	16,661,173
TOTAL	\$ 72,936,375	\$ -	\$ 2,542,886	\$ -	\$ -	\$ -	\$ 307,698	\$ 2,850,584	\$ 70,085,791

APPENDIX 10, ASSUMPTIONS:

1. Street Department: Developer is responsible for road improvements in the area around the development. Few additional streets will be added and maintenance costs are estimated to be minimal. Source: Development Agreement between the Unified Government and Kansas Entertainment, LLC., dated September 8, 2009.
2. Police Department: See Appendix 9 for calculations.
3. Wastewater Department: Developer will be responsible for the upsizing of the sanitary sewer pipe.
Source: Development Agreement between the Unified Government and Kansas Entertainment, LLC., dated September 8, 2009.
No additional operating or capital costs were expected for the 2008 study of this development.
Source: Wyandotte County/Kansas City Unified Government, County Manger's Office, 2008.
4. Fire/EMS Department: Developer will work with the Fire Department to determine if additional fire equipment is required. No additional facilities are anticipated to be required. Source: Development Agreement between the Unified Government and Kansas Entertainment, LLC., dated September 8, 2009.
No additional operating costs were expected for the 2008 study of this development as there is an existing fire station within an appropriate response time. Source: Wyandotte County/Kansas City Unified Government, County Manger's Office, 2008.
5. Community Development: No additional operating or capital costs were expected for the 2008 study of this development.
Source: Wyandotte County/Kansas City Unified Government, County Manger's Office, 2008.
6. Administrative overhead costs estimated at **12%** of all department costs estimated in this analysis.
Source: Wyandotte County/Kansas City Unified Government Budget. Three-year average indirect costs as percent of direct costs (2007-2009) for the General Fund and other funds for which costs are incurred.

Direct	2007	2008	2009	Average
Constituent Organization Dev.	186,360	235,864	243,338	221,854
Community Correct.	2,588,593	1,597,426	1,424,716	1,870,245
Emergency Manag.	587,338	1,614,943	1,211,339	1,137,873
Fire Department	40,990,962	44,019,508	44,923,630	43,311,367
Police Department	45,478,775	46,637,574	47,465,531	46,527,293
Sheriff	18,579,526	19,834,848	19,935,041	19,449,805
Court Trustees	367,227	605,305	622,945	531,826

APPENDIX 10
KANSAS ENTERTAINMENT, LLC
UNIFIED GOVERNMENT
SUMMARY OF ESTIMATED COSTS

District Attorney	4,187,912	4,223,058	4,464,260	4,291,743
District Court	2,563,467	2,666,423	2,272,525	2,500,805
Law Library	32,671	34,419	36,036	34,375
Municipal Court	1,836,385	1,596,308	1,677,350	1,703,348
Process Servers	682,518	716,112	750,122	716,251
Aging	3,028,638	4,204,219	4,205,540	3,812,799
Community Programs	15,463,631	9,105,780	9,503,877	11,357,763
Coroner	271,335	223,261	227,712	240,769
Economic Development	2,642,178	5,734,565	5,260,194	4,545,646
Elections	1,105,631	1,647,570	1,227,657	1,326,953
Health Department	7,195,216	6,579,797	6,711,027	6,828,680
Historical Museum	214,490	297,297	326,125	279,304
Human Services	3,132,235	3,774,253	3,791,366	3,565,951
Mental Health	636,950	645,219	671,741	651,303
Neighborhood Resource Ctr.	4,751,325	4,560,229	4,779,660	4,697,071
Parks and Recreation	7,398,270	10,086,860	9,977,633	9,154,254
Register of Deeds	433,361	1,136,214	733,582	767,719
Transit	4,684,690	5,280,930	5,371,635	5,112,418
Planning/Zoning	790,823	887,013	998,079	891,972
Public Works	44,561,136	58,101,010	56,458,364	53,040,170
Soil Conservation	57,674	68,964	59,404	62,014
County Fair	196,888	226,888	196,888	206,888
Library	1,431,019	1,745,896	1,877,375	1,684,763
Convention and Visitor's	400,000	650,000	850,000	633,333
Total	216,477,224	238,737,753	238,254,692	231,156,556
Indirect	2007	2008	2009	Average
Administration/Clerk	4,739,753	5,281,868	4,850,043	4,957,221
Mayor/Commissioner	686,536	800,253	864,328	783,706
County Administrator	1,119,366	1,776,022	1,689,853	1,528,414
Finance	3,896,627	4,726,852	4,961,118	4,528,199
Human Resources	1,279,877	1,329,709	1,245,077	1,284,888
Legal	3,657,799	3,006,082	3,283,678	3,315,853
Legislative Auditor	681,001	729,253	715,771	708,675
OS Business Office	203,959	212,630	229,891	215,493
Procurement/Contract	552,182	614,466	628,381	598,343
Technology	5,810,431	7,288,801	5,728,181	6,275,804
Public Safety Business	2,140,272	3,067,328	2,634,117	2,613,906
Extension Council	450,665	431,166	431,166	437,666
Special Community Grants	978,995	663,059	525,534	722,529
Total	26,197,463	29,927,489	27,787,138	27,970,697
% Indirect of Direct	12%	13%	12%	12%

APPENDIX 11
KANSAS ENTERTAINMENT, LLC
WYANDOTTE COUNTY SCHOOL DISTRICTS*
ESTIMATED NUMBER OF NEW STUDENTS

<u>YEAR</u>	<u>ESTIMATED TOTAL NO. OF EMPLOYEES</u>	<u>NUMBER OF NEW EMPLOYEES</u>	<u># OF NEW HOUSEHOLDS</u>	<u># OF NEW STUDENTS</u>
Year 3	1,129	144	144	144
Year 4	1,136	144	144	144
Year 5	1,142	145	145	145
Year 6	1,151	161	161	161
Year 7	1,320	161	161	161

APPENDIX 11, ASSUMPTIONS:

*Per conversations with UG representatives, 97% of the property will be located in USD204 and 3% in USD500.

1. Number of employees is provided by the Developer (application template).
 Analysis assumes only Professional, Manager, Executive and Technician positions will be new to the area. Other positions will be filled by existing Wyandotte County residents. Existing residents are not expected to generate additional children for the School District.
2. The analysis uses a student per household ratio of **1.00** to estimate the number of new students added to the school district by this development.
3. The analysis assumes **no fiscal impact** on K-12 school districts due to the following reasons:
 - a. The Kansas City area (six counties) had 32,300 unemployed people as of August 2009 (Kansas Dept of Labor) indicating that the labor force availability is more than sufficient to fill new jobs, eliminating the need to import new workers who may impact the school districts.
 - b. It is estimated that 144 to 161 jobs will be filled by out-of-area employees, adding the same number of new students.
 - c. Wyandotte County: Between 2003-04 and 2008-09, the County school districts experienced a decrease in enrollment of 1,566 students. KU's Institute for Policy and Social Research estimates a decreasing population in the County through 2030.

APPENDIX 12
KANSAS ENTERTAINMENT, LLC
WYANDOTTE COUNTY SCHOOL DISTRICTS
ESTIMATED SURPLUS/DEFICIT TO STATE

<u>YEAR</u>	<u>STATE FINANCIAL AID</u>		<u>LOCAL EFFORT</u>	<u>GENERAL STATE AID</u>		<u>TOTAL COSTS</u>
Year 1	\$	-	\$	-	\$	-
Year 2		-		2,346,985	-	-
Year 3		607,392		3,497,719	-	-
Year 4		607,392		3,602,651	-	-
Year 5		611,610		3,710,730	-	-
Year 6		679,098		5,727,815	-	-
Year 7		679,098		6,820,907	-	-
TOTAL	\$	3,184,590	\$	25,706,807	\$	-

APPENDIX 12, ASSUMPTIONS:

1. FY 09-10 State Financial Aid amount is estimated at \$ **4,218** per pupil.
Source: Dale Dennis, Deputy Commissioner, Kansas Department of Education. See Appendix 11 for student estimates.
2. Local Effort includes school districts' property tax revenue only; other revenue sources are a small percentage of the total and are not estimated. Property tax revenue estimated for Kansas City School Districts in Appendix 2.
3. General State Aid is estimated by subtracting Local Effort revenue from State Financial Aid revenue. As the Local Effort revenue exceeds State Financial Aid revenue, no General State Aid revenue is estimated.
Source: Dale Dennis, Deputy Commissioner, Kansas Department of Education.
4. No School District costs are estimated, see Appendix 11 for details.